

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

**Re: ECF Nos. 18602, 21005, 22400,  
22682, 22736, 22952, 23398**

(Jointly Administered)

STATUS REPORT CONCERNING  
COMMUNITY HEALTH FOUNDATION OF P.R. INC.'S MOTION FOR  
ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE

To the Honorable United States District Court Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Commonwealth’s representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> and Community Health Foundation of P.R. Inc. (“CHF” and, together with the Oversight Board, the “Parties”), respectfully submit this

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Building Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> PROMESA has been codified in 48 U.S.C. §§ 2101–2241.

joint status report relating to *Community Health Foundation of P.R. Inc.’s Motion for Allowance and Payment of Administrative Expense* [ECF No. 18602] (the “Motion”), stating as follows:

**Status Report**

1. Pursuant to the Court’s *Order Setting Deadline for a Status Report Concerning Community Health Foundation of P.R. Inc.’s Motion for Allowance and Payment of Administrative Expense* [ECF No. 22682] (the “October Order”), on October 28, 2022, the Parties filed a *Joint Status Report Concerning Community Health Foundation of P.R. Inc.’s Motion for Allowance and Payment of Administrative Expense* [ECF No. 22736] (the “October Status Report”). As requested, the October Status Report set forth the Parties’ positions regarding the issues that remained in dispute in connection with the Motion, the documents and information necessary to resolve those issues, and the Parties’ proposed schedule for exchanging such documents and information. The October Status Report also requested that the Motion be adjourned from the November 2, 2022 omnibus hearing to the December 14, 2022 omnibus hearing. *Id.* ¶ 11.

2. After the October Status Report was filed, CHF provided to the Oversight Board certain documents and information described in paragraphs 5 through 7 of the October Status Report. The Parties also entered into the agreement contemplated by paragraph 8 of the October Status Report governing the confidentiality of such documentation. The Oversight Board and its advisors began analyzing these documents to determine what CHF’s PPS rate should be for the years 2020 and 2021, what wraparound payments, if any, are owed to CHF, and whether any additional information is needed from CHF to complete their analysis.

3. On November 29, 2022, the Parties filed subsequent *Status Report Concerning Community Health Foundation of P.R. Inc.’s Motion for Allowance and Payment of Administrative Expense* [ECF No. 22932] (the “November Status Report”). The November Status Report

explained that the Oversight Board and its advisors were in the process of reviewing the documentation provided by CHF, as well as documentation provided by the Puerto Rico Department of Health and the Puerto Rico Health Insurance Program discussed in paragraphs 9 and 10 of the October Status Report. The November Status Report requested that, in order to allow the Oversight Board and its advisors time to complete its analysis, the hearing on the Motion be adjourned to the omnibus hearing scheduled for February 1, 2023. On December 1, 2022, the Court granted the Parties' request and set the Motion for hearing in connection with the February 1, 2023, omnibus hearing. *Order Adjourning Hearing Concerning Community Health Foundation of P.R. Inc.'s Motion for Allowance and Payment of Administrative Expense* [ECF No. 22952].

4. After the Parties filed the November Status Report, the Oversight Board and its advisors completed their analysis of the documentation provided by CHF. Such analysis showed, in the opinion of the Oversight Board, discrepancies between some components of the wraparound payment formula as stated in Exhibit A to the Motion and the information reflected in the backup documentation that CHF provided. On January 11, 2023, the Oversight Board sought clarification as to these discrepancies and provided CHF with a list of information required to validate information CHF provided in support of its claims. On January 20, 2023, CHF provided its response to the Oversight Board's request, in which CHF addressed specific inquiries raised by the Oversight Board, referred to previously furnished information and provided newly requested documentation.

5. On January 26, 2023, the Parties filed another *Status Report Concerning Community Health Foundation of P.R. Inc.'s Motion for Allowance and Payment of Administrative Expense* [ECF No. 23389] (the "January Status Report"). Therein, the Oversight Board and its advisors stated that they intended to evaluate CHF's response and the newly provided information,

incorporate that information into their analysis, and determine if any additional information or documentation is needed. The January Status Report requested that the hearing on the Motion be adjourned to the omnibus hearing scheduled for March 15, 2023 in order to allow time for the Oversight Board to review that documentation and determine next steps. On January 26, 2023, the Court granted the Parties' request and set the Motion for hearing in connection with the March 15, 2023 omnibus hearing. *Order Adjourning Hearing Concerning Community Health Foundation of P.R. Inc.'s Motion for Allowance and Payment of Administrative Expense* [ECF No. 23398].

6. Since the January Status Report was filed, the Parties have continued to exchange information with a goal of quantifying the wraparound payment that CHF is due, if any, and reconcile information provided by CHF against information provided by Commonwealth entities. Most recently, on March 7, 2023, the Parties, along with representatives of the Puerto Rico Department of Health, the Puerto Rico Health Insurance Administration, and the Puerto Rico Fiscal Agency and Financial Advisory Authority, met in person to discuss, among other issues, the documentation provided and such other information that would facilitate the further reconciliation of asserted claims. At the March 7 meeting, the Parties agreed to exchange such additional documentation during the week of March 13, to review and present findings regarding such documentation during the week of April 3, if not sooner, and to hold another meeting, currently scheduled for April 18, 2023.

7. To allow time to compile and analyze this documentation, the Parties respectfully request that the hearing in connection with the Motion be adjourned to the Omnibus Hearing scheduled for June 7, 2023.

*[Remainder of page intentionally left blank]*

Dated: March 9, 2022  
San Juan, Puerto Rico

Respectfully submitted,

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